

FISCAL NOTE

SB 2998 – HB 4083

February 18, 2008

SUMMARY OF BILL: Authorizes a 25% tuition discount at any state operated institution of higher education to spouses of full-time state employees.

ESTIMATED FISCAL IMPACT:

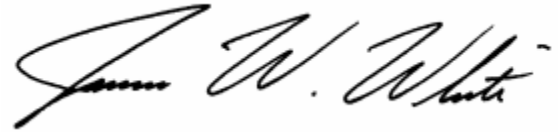
Increase State Expenditures - \$1,438,500 FY08-09
\$1,539,300 FY09-10

Assumptions:

- Lost revenues to higher education institutions would be replaced with state funds rather than higher tuition and fees.
- There were 52,046 state employees as of July 1, 2007.
- This estimate assumes a family has an average of two children and one spouse. The rate for spouses will be half that of the existing state employee dependent program.
- The cost of the Fee Discount for State Employee Dependent Program in FY06-07 was \$2,487,621.
- The current participation rate in the Fee Discount for State Employee Dependent Program is 10.1% or 5,263 FTE participants (52,046 employees x 10.1%).
- Spouses of state employees are estimated to participate at one-half of that rate or 5.1%.
- The number of FTE participants expected to participate is 2,654 (52,046 employees x 5.1%).
- The fee discount in FY08-09 is estimated to be \$542 and \$580 in FY09-10.
- First year cost (FY08-09) is estimated to be \$1,438,468 (\$542 x 2,654 FTE spouses).
- Second year cost (FY09-10) is estimated to be \$1,539,320 (\$580 x 2,654 FTE spouses).
- Tuition is estimated to increase at an average rate of 7% per year.
- The children of state employees receiving tuition discounts for previous years provide a fair representation of children expected to receive tuition discounts in the future, adjusted for an expected participation rate for spouses of state employees in proportion to current participants.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/rct